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PROGRAM FACTS FOR

ASC COMMITTEEMEN

PA-339

UNITED STATES DEPARTMENT OF AGRICULTURE
Commodity Stabilization Service
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This booklet contains general information about the Agricultural Conservation Program, Soil Bank, production adjustment, price support, and other programs administered by Agricultural Stabilization and Conservation Committees. It is not intended to replace handbooks, bulletins, manuals, or other administrative instructions applicable to the various programs, and ASC committees should not base program decisions upon the information contained herein. Such decisions must be based upon the appropriate administrative regulations and instructions.

PROGRAM FACTS FOR ASC COMMITTEEMEN

OVERALL RESPONSIBILITIES

County Agricultural Stabilization and Conservation Committees administer locally the following national farm programs:

1. Acreage allotments and marketing quotas
2. The Agricultural Conservation Program
3. Price-support loans, purchase agreements, and incentive payments
4. The Sugar Program
5. The Soil Bank
6. Other programs assigned by the Secretary of Agriculture or Congress.

It is the committee's responsibility to see that the programs are carried out fairly and in full accordance with official regulations.

County and community committeemen are elected annually by the farmers of the county. County committees function under the general supervision of the State Agricultural Stabilization and Conservation Committee. The county agricultural extension agent is ex officio a member of the committee without the power to vote.

Alternate county and community committeemen are elected at the time of the annual committeeman elections. If for any reason a committeeman cannot serve, either temporarily or permanently, the first alternate committeeman serves on the county committee. If a second committeeman is unable to

serve, the second alternate serves on the county committee.

In all but two States, the State committee consists of three farmer-members appointed by the Secretary of Agriculture. The State Director of the Agricultural Extension Service is ex officio a member of the committee. In Texas and California, there are five farmer-members and the State Director of the Agricultural Extension Service on the State committee.

Farmer-members of the State ASC committees are appointed by the Secretary of Agriculture. The membership of the committee is rotated—one member is replaced by a new member at the end of each term of office.

Each county committee employs a county office manager; the manager, in turn, is responsible for hiring the necessary employees for office and field work. It is the job of the county office manager to see that the day-to-day operations are effectively and efficiently performed. The county committee could be described as a board of directors, with the county office manager responsible for carrying out the committee's policies and decisions and keeping it informed on program developments and the operation of the office. County committeemen do not perform routine office or field work and may

not be employed as clerks or field workers. When employing field workers, the general policy is to encourage the employment of community committeemen who are fully qualified.

Committee meetings, attended by all county committeemen and the office manager, should be held on regularly established dates and special meetings are held when necessary. Minutes of each committee meeting must be complete and readily available for future reference and must include all official actions taken.

The office manager is responsible for establishing a plan of work and reviewing it at regular intervals to determine whether or not both field and office work is on schedule. This plan of work and the progress under it should be reviewed periodically by the county committee.

Although day-to-day operations are the responsibility of the county office manager, not of the committeemen, it occasionally may be necessary for one or more members of the committee to settle special or

difficult cases. Examples of such cases would be unusual agricultural conservation program irregularities, refusal of a farmer to permit measurement of the acreage of a crop under marketing quotas, or refusal of a farmer to pay a marketing quota penalty. Reports on such special activities must be included in the minutes of the county committee meeting.

Contact with county committees is maintained by the State ASC committee through written communication, telephone, and visits of fieldmen. Fieldmen are the representatives of the State committee and are responsible for assisting the county committee and the county office manager in discharging their responsibilities. They are the county's principal point of contact with the State office. Fieldmen report to the State ASC committee through the State administrative officer, who occupies a position with the State ASC committee similar to that of the county office manager with the county committee.

KEEPING FARMERS AND THE PUBLIC INFORMED

County ASC committees are generally responsible for seeing that farmers and others are informed about the programs available and the requirements for eligibility to participate in those programs. Since the county agricultural extension agent is the local representative of the field information and education service of the Department, as well as a member of the county committee, his experience and training can be very useful in planning and carrying out activities to keep farmers and the public factually informed on ASC programs.

In most counties, the following methods of providing factual program information are used by the county ASC office or carried out in

cooperation with the county agricultural extension agent:

Day-to-day contacts with other farmers by committeemen and county office employees—probably the best opportunity for program explanations, and thus a most effective way to get or to increase farmer understanding of the various programs and their operation.

Work with local newspaper editors, who usually welcome program information for special articles or news items.

Participation in radio programs—an excellent means of increasing farmer understanding of programs and of informing and reporting to the general public.

Distribution of published ma-

terial, available on such programs as wheat marketing quotas, cotton marketing quotas, the wool program, the Soil Bank, corn allotments, etc.

Explanatory talks and question-and-answer periods by county ASC committeemen at farmers' or local civic organization meetings or luncheons.

Program information meetings

with community committeemen.

Periodic program letters to community committeemen. Since community committeemen are frequently in contact with their neighbors, most county offices use this method.

Informing representatives of other agricultural agencies of the essential details of the various programs which are in operation.

ADMINISTRATIVE RESPONSIBILITIES

Employees

County office managers must meet minimum qualification standards established for the State by the State ASC committee. The salary of a manager is based generally on the number of active programs and the volume of administrative work in the county office.

The county office manager is responsible for the employment and supervision of county office employees. Classification and rates of pay of employees are recommended by the county committee and approved by the State committee or its representative. Use of job classifications makes it possible to provide employees with uniform rates of pay for similar work and responsibility.

County committee employees are not Federal employees and are therefore not covered by the Civil Service retirement system. They are not eligible to participate in the Federal employees' group life insurance plan.

County and community committeemen and employees of the county office are covered under the U. S. Employees Compensation Act (for injuries while on duty) and the Federal Insurance Contributions Act (old age and survivors insurance). Employees of the county office are also covered by the Unemployment Compensation Act. For regular employees, there is a

uniform vacation and sick leave system.

Budget

Preparation of the county office budget involves estimating costs for performing essential work for each of the programs being operated in the county. Budgets are prepared for a fiscal year—from July 1 through June 30.

After the budget is prepared and approved by the State ASC committee, the county committee, with the assistance of the office manager, should regularly review expenditures to make sure that they are authorized and that the necessary work will be accomplished with the funds available. Money to meet administrative expenses is advanced as needed. Budgets and other controls of expenditures are necessary to secure efficient operations and to account properly for the funds appropriated by Congress.

County Office Quarters

The location of the county office is determined by the county committee, with the approval of the State committee. In some counties, free or Federal office space is available. When office space is available in a Federal building, the county committee requests the State committee to secure assignment of the desired space.

Leases, subleases, or other arrangements for rented space are

made in the name of the county committee after the State committee has approved the space and lease arrangements.

In selecting office space, county committees give consideration to the convenience of the location to farmers and to other agricultural agencies, the adequacy of the space for

the number of employees and the necessary office equipment, and the cost. Miscellaneous services such as telephone, telegraph, electricity, water, janitor service, etc., must also be arranged for and costs considered.

Good working conditions are essential to effective office operations.

CONSERVATION PROGRAMS

Agricultural Conservation Program

The Agricultural Conservation Program is an important part of a coordinated effort to help farmers attain soil conservation objectives. The total effort includes research, education, technical assistance, cost-sharing, and such indirect aids as credit. At the national level, ACP is administered by the Department of Agriculture's Agricultural Conservation Program Service.

The Agricultural Conservation Program operates as a farmer-Government partnership by providing a share of the cost of approved soil- and water-conserving practices. The share provided by the Government is an evidence of the interest of all the Nation's people in insuring future supplies of agricultural products.

ACP assistance is made available for conservation over and above what farmers would carry out with their own resources and on their own initiative. The assistance may be in the form of financial aid, or materials or services to obtain the needed conservation.

Participation in the program is voluntary, and all farmers are eligible to take part.

County programs are developed and administered by Agricultural Stabilization and Conservation County Committees in cooperation with local representatives of the Soil Conservation Service, Forest

Service, Extension Service, local soil conservation districts, and other agricultural agencies. These agencies also assist with the educational and technical work needed in the administration of the program.

Responsibilities of County Committees

1. Make recommendations to the State ASC committee for the national Agricultural Conservation Program.

2. Develop the county Agricultural Conservation Program, in cooperation with designated agencies and organizations.

3. See that farmers are informed of program provisions and that they have an opportunity to request cost-sharing. The Extension Service and other agencies assist in the educational and informational phases of the program.

4. Review farmers' requests for cost-sharing and approve those which will achieve the most and best-quality conservation work.

5. Budget program (ACP) funds keeping approvals for cost-sharing within available funds, and budget funds for technical services.

6. Hear and make decisions on program appeals; make findings on violations of program provisions.

7. Determine policy in the local adaptation and administration of the program.

Responsibilities of Community Committees

1. Counsel with county ASC committee on policies and procedures needed to carry out the most effective AC program in the county.

2. Keep informed on the ACP.

3. Help inform farmers on the provisions in the ACP.

4. At request of county ASC committee, make recommendations on the individual requests of farmers for cost-sharing.

5. At request of county committee, report facts in connection with individual appeals and complaints of farmers.

Emergency Conservation Programs

From time to time, special program authorizations and appropriations have been made by the Congress to help meet emergency conditions caused by natural disasters. In the past, such authorizations were limited to designated areas in which it was necessary to rehabilitate farm lands damaged by disastrous floods or to apply emergency wind-erosion control measures.

In general, the responsibilities of ASC committeemen under such emergency programs are the same as for the regular ACP.

SOIL BANK PROGRAM

The Soil Bank provides programs to assist farmers to divert a portion of their cropland from the production of surplus commodities and to carry out a program of soil, water, forest, and wildlife conservation. While cropland is out of production, to reduce surpluses and strengthen markets, payments are provided to maintain income and to assist in changing land from crop production to approved conservation uses.

The two programs under the Soil Bank are:

- (1) The Acreage Reserve—a short-time program to reduce current production of allotment crops without loss of net income to the producers.

- (2) The Conservation Reserve—a long-time program to retire general cropland from production and devote such land to conservation uses.

To be eligible to take part in the Soil Bank, a farmer in general must not exceed any acreage allotment established for his farm. Participation in the Soil Bank, however, will not reduce the farm's crop history for future acreage allotment computations.

Land designated for inclusion in either the Acreage or the Conservation Reserve may not be cropped, and it may not be grazed except when specific permission is granted in emergencies. The same land may not be designated for both Reserve programs. Farmers may not earn both Conservation Reserve and Agricultural Conservation Program payments for the same practice.

Administration. In administering the Soil Bank Program—in which participation is voluntary—the State, County, and Community Agricultural Stabilization and Conservation (ASC) Committees carry the program to farm operators in their areas. The Department of Agriculture's Commodity Stabilization Service has general responsibility for administering program funds (with the Commodity Credit Corporation), and for developing and administering the program at the national level; and the Agricultural Conservation Program Service formulates practices under the Conservation Reserve Program. Technical resources of the Soil Conservation Service, the Forest Service, the Fish and Wildlife Service, and the various State agricultural

and forestry agencies are used in the program. The Federal Extension Service, working through State and Federal agencies, supplies general information on the Soil Bank to all farmers.

Violations. In the event of violation of a Soil Bank agreement or contract, the payment which would otherwise have been earned may be forfeited, and the farmer must refund the payment if it has already been made. For grazing or harvesting a crop in violation of an agreement or contract, a civil penalty equal to one-half the payment may also be imposed.

Appeals. Farmers have a right of appeal to State ASC committees regarding decisions of county ASC committees. Whenever the State ASC committee notifies a farmer that he is in violation of his agreement or contract, he has the right of appeal to the United States District Court.

Duties of County Committees

Under the Soil Bank's Acreage and Conservation Reserve programs, the responsibilities of the county committees include:

1. Giving overall supervision to the determination of farm check and normal yields, productivity indexes, and per-acre rates of payment.

2. Handling appeals of producers relating to Acreage Reserve compensation rates per acre assigned to their farms.

3. Establishing a farm "Soil Bank base" for farms in the county.

4. Informing and instructing community committeemen and other farmers about necessary details and requirements of the program.

5. Making recommendations to the State ASC committee for approved conservation practices to be carried out on Conservation Reserve land.

6. Where advisable, establishing rates of cost-sharing for conserva-

tion practices carried out on Conservation Reserve land.

7. Reviewing, approving, adjusting, and recommending the cancellation of Soil Bank agreements and contracts on behalf of the Secretary of Agriculture.

8. Through designated employees, providing for accurate and timely checking of performance and inspection of designated "Reserve" land.

9. Arranging for the investigation of and considering program violations.

10. Supervising the issuance of certificates and their redemption in kind.

Duties of Community Committees

1. Assist county committee in establishment of farm Soil Bank base acreages.

2. Assist county committee in determination of farm productivity ratings and per-acre rates of payment.

Acreage Reserve

Farmers who have allotments for one or more of the "basic" crops—cotton, corn, wheat, rice, tobacco, and peanuts—are eligible to take part in the applicable Acreage Reserve programs.

In return for reducing his acreage of the crop below the farm allotment, thus "retiring" such acreage from production for at least 1 year—the period of the agreement, the farmer may earn a payment which serves to offset the loss of net income from average production on the "reserved" acres.

Payments. The payment is by certificates, which may be handled in the same way as checks. A farmer who receives a certificate for reducing an acreage of grain may, under specified conditions, exchange the certificate for grain owned by the Commodity Credit Corporation or for grain on which he has a CCC price-support loan.

Allocation and Rates. Each State and county receives an allocation of funds for each eligible crop grown in the State. A dollars-and-cents rate per acre is established for each farm for each of the farm's allotment crops, with the rates varying from county averages according to relative productivity and farming methods on individual farms.

Signup. Under the initial allocation of funds, Acreage Reserve agreements are accepted from farmers on a "first-come, first-served" basis. If the county funds are not sufficient to take care of all the applicants, the county ASC committee keeps a list of farmers who still want to take part. If more funds are made available through reallocation after the signup period, these agreements are accepted in the order in which the applications were received, within the limit of funds then available.

Soil Bank Base. For each farm in the Acreage Reserve, a Soil Bank Base Acreage will be established. The base will be the average acreage used to produce the "basic" crops, and such crops as feed grains, potatoes, soybeans and other oilseeds, sugar beets and other row crops, field and canning peas, and annual grasses harvested for seed. For 1958, the average will be based on the acreage of these crops produced in 1956 and 1957. Farmers participating agree to reduce their total harvested acreage by the number of acres in the Reserve.

Conservation Reserve

The Conservation Reserve program is a long-term measure to adjust general crop production and increase the conservation of the Nation's soil, water, forest, and wildlife resources.

Under the program, farmers sign contracts for 3, 5, or 10 years, to devote a specific tract of cropland to conservation practices. Farmers generally may not put less acreage

in the Conservation Reserve than 5 acres if approved cover is on the land or will be established, or 2 acres if trees are to be planted.

For putting cropland in the Conservation Reserve, the farmer receives two types of payment: (1) A part of the cost (which may range as high as 80 percent) of establishing permanent conservation on the Conservation Reserve land, and (2) an annual payment to provide income for land taken out of production. The conservation payment may be made in materials or services for the work done on the "reserved" land.

Average annual rates per acre are established for States, counties, and areas within a county; the national average rental rate is \$10 per acre. The total annual payment to any farm producer in any year is limited to \$5,000, except under special conditions.

Participation and Payments. Farmers taking part in the Conservation Reserve program agree to reduce their crop acreage below the farm's "Soil Bank base" (the acreage that normally produces such crops as grain sorghums, and other feed grains, wheat, cotton, soybeans, potatoes, sugar beets, or other row crops). These farmers earn the full or regular payment.

Producers on small farms (those with a Soil Bank base of 30 acres or less) may place land in the program without reducing their production of Soil Bank base crops, but their rate of payment is also reduced to 30 percent of the full annual payment rate (called the nondiversion rate).

Operators of larger farms who agree to put all their eligible land in the program will receive the regular annual payment on the amount of land equal to the farm's Soil Bank base and the lower (30 percent) rate for the remaining Conservation Reserve acreage.

PRODUCTION ADJUSTMENT ACTIVITIES

Agricultural program laws provide for acreage allotments and marketing quotas on cotton, peanuts, rice, tobacco, and wheat (in "commercial" wheat States). There is no provision for corn marketing quotas; however, corn acreage allotments are provided for the commercial corn area.

Duties of the County Committee

When acreage allotments or marketing quotas are in effect, the responsibilities of the county committee generally include:

1. Giving overall supervision to the determination of farm acreage allotments.

2. Considering appeals of producers relating to farm acreage allotments.

3. Appearing before marketing quota review committees when producers have appealed determinations on marketing quotas.

4. Arranging for and supervising marketing quota referendums and certifying the results to the State ASC office.

5. Through designated employees, providing for accurate and timely checking of performance.

6. When quotas are in effect, causing marketing cards and certificates to be issued to growers who have not exceeded their allotments.

7. In cases where the farm acreage allotment (for a crop under marketing quotas) has been exceeded:

- (a) Determining the amount of the farm marketing excess.

- (b) Causing "excess" marketing cards to be issued to such growers.

- (c) Arranging for prompt settlement of marketing quota penalties which have not been collected at the county office or through buyers, warehousemen, or dealers.

8. Arranging for investigation of irregularities and considering violations.

Duties of Community Committees

1. Review farm data and assist in the establishment of farm allotments.

2. Keep informed on the general provisions of production adjustment programs operating in the county.

3. When requested, assist the county committee in the investigation of marketing quota violations.

Wheat

Acreage Allotments

Wheat acreage allotments are required every year unless the Secretary dispenses with them under the emergency powers of the law.

National. The national wheat acreage allotment is the number of acres of wheat which at average yields will maintain a supply equal to 130 percent of a normal year's domestic consumption and exports. By law, the national wheat acreage allotment cannot be less than 55 million acres.

State. The national acreage allotment is apportioned among the States on the basis of the acreage seeded for the production of wheat during the preceding 10 years, with adjustments for abnormal weather and trends in acreage.

Noncommercial Wheat Area. The law authorizes the Secretary to designate any State with an acreage allotment of 25,000 acres or less as a noncommercial wheat area. Acreage allotments and marketing quotas are not used in such States.

County. The State wheat acreage allotment is apportioned among the counties in a State on the same basis as the national allotment is apportioned to States, plus an

adjustment for the promotion of soil-conservation practices.

Farm. The county acreage allotment is apportioned among farms on the basis of past acreage of wheat, tillable acres, crop rotation practices, type of soil, and topography.

New Farms. Up to 3 percent of the State wheat acreage allotment may be apportioned to farms on which wheat has not been planted during any of the 3 years immediately preceding the year for which the allotment is made. These farms are commonly referred to as "new wheat farms."

Marketing Quotas

The Secretary is required to proclaim a national wheat marketing quota when the total supply of wheat exceeds the normal supply by more than 20 percent. A "normal supply" of wheat is a year's domestic consumption and exports plus a 20-percent allowance for reserves.

May 15 is the last date on which the national wheat acreage allotment and the wheat marketing quota may be proclaimed by the Secretary. A referendum must be held among wheat growers between the time of the proclamation and July 25. At least two-thirds of the growers voting in a referendum must approve marketing quotas if they are to be in effect.

Marketing quotas are carried out through acreage allotments. When marketing quotas are in effect, producers who exceed their farm wheat acreage allotments, if the farm allotment is more than 15 acres, are subject to a marketing penalty on each bushel of excess wheat. Therefore, as much as 15 acres of wheat may be harvested for grain on a farm without being subject to a marketing penalty. The marketing quota penalty on each "excess" bushel is 45 percent of the May 1 parity price of wheat. The wheat from farms on which the acreage

allotment is exceeded is not eligible for price support.

Review of Quotas. Any farmer who is dissatisfied with his marketing quota may appeal and have the determination reviewed by a review committee appointed by the Secretary. If still dissatisfied, the producer may appeal to a Federal District Court for review of his case.

Corn

Acreage Allotments

Corn acreage allotments are required every year for the commercial corn-producing area unless the Secretary dispenses with them under the emergency powers of the law.

Commercial Corn-Producing Area. Counties to be included within the commercial corn-producing area are determined annually under a legislative formula on the basis of the production (excluding silage) of 450 bushels per farm and 4 bushels per acre of farmland in the county.

National Allotment. The national allotment is the total number of acres of corn which will, on the basis of normal yields, maintain a supply of corn equal to a normal year's domestic consumption and exports plus 15 percent.

County Allotments. The national allotment is apportioned among the counties of the commercial area on the basis of the acreage of corn during the 5-year period immediately preceding the year in which the allotment is determined, with adjustments for participation in previous corn acreage-allotment programs, abnormal weather conditions, trends in acreages, and the promotion of soil-conservation practices.

Farm Allotments. County allotments are apportioned among individual corn-producing farms on the basis of tillable acreage, type of soil, topography, and crop-rotation

practices, as reflected by the history of corn acreage.

New Corn Farms. Corn acreage allotments may be established for farms on which corn was not planted during the last 3 years if the producer proves to the satisfaction of the county committee that his farm is eligible for a new farm allotment.

Farms Outside Commercial Area. Farms in counties outside of the commercial area are not affected by corn acreage allotments. However, price support for corn produced on such farms is available at 75 percent of the rate in the commercial area.

Review of Allotments. Any farmer who is dissatisfied with his acreage allotment may appeal and have the determination reviewed by the county committee. If still dissatisfied, the producer may appeal to the State ASC committee, and thence to the Director of the Grain Division, CSS.

Cotton (Upland)

Marketing Quotas

Not later than October 15, the Secretary is required to proclaim a marketing quota for upland cotton for the following year's crop when the total supply for the marketing year exceeds the normal supply. (The "normal supply" for upland cotton is the year's estimated domestic consumption and exports plus a 30-percent reserve.)

A referendum must be held by December 15 following the proclamation of quotas; at least two-thirds of the growers voting in the referendum must approve marketing quotas if they are to continue in effect.

Marketing quotas are carried out by means of acreage allotments. When quotas are in effect, producers who exceed their farm acreage allotments are subject to a marketing quota penalty on each pound of the farm marketing excess. The

penalty rate per pound is 50 percent of the parity price per pound as of June 15 of the calendar year in which the cotton is produced.

Acreage Allotments

The national marketing quota is the number of pounds of upland cotton which is determined to be necessary to maintain a normal supply, but not less than the smaller of (a) 10 million bales, or (b) 1 million bales less than the estimated domestic consumption plus exports of upland cotton for the marketing year ending in the calendar year in which such quota is proclaimed. The national marketing quota is converted to a national acreage allotment.

National. The national acreage allotment for upland cotton is determined by dividing the national marketing quota by the national average yield per acre for the 5 years immediately preceding the year in which the quota is proclaimed.

State. The national acreage allotment for upland cotton less the amount required for minimum State allotments for four minor cotton-producing States is apportioned among the other States on the basis of the acreage planted to cotton during the preceding 5 years with adjustment in acreages for individual years as provided by law.

County. The State acreage allotment for upland cotton (less the State reserve) is apportioned among counties in the State on the basis of the acreage planted to cotton in each county during the 5 years preceding the year in which the quota is proclaimed, with adjustment in acreages for individual years for abnormal weather conditions. The State committee is authorized to reserve not to exceed 10 percent of the State acreage allotment (15 percent in the case of Oklahoma) to be used in making adjustments in county allotments

for trends in the acreage of cotton or for abnormal conditions adversely affecting production, or for small farms, or new farms, or to correct inequities and to prevent hardship.

Farms. The county committee is authorized by law to reserve not more than 15 percent of the county allotment to use in establishing acreage allotments for new cotton farms and for adjusting acreage allotments for old cotton farms. Each county committee is required to determine which of the following two methods should be used in apportioning the county acreage allotment (less the county acreage reserve) among farms in order to establish equitable allotments for farms in the county:

(a) *Historical Method.*—By multiplying the average acreage planted to cotton on the farm for the last 3 preceding years (adjusted as provided by law) by a uniform county percentage. Under this method and at the option of the county committee, minimum farm acreage allotments may be established, or allotments may be limited to 50 percent of the cropland on the farm, or the county committee may elect to establish minimum allotments and also to limit allotments to 50 percent of the cropland, or

(b) *Cropland Method.*—By multiplying the cropland on each old cotton farm (excluding acreages of certain crops specified by law) by a uniform county or administrative area percentage. An old cotton farm is one on which cotton has been planted in one or more of the 3 years immediately preceding the year for which quotas are proclaimed. Under this method, minimum farm acreage allotments (not to exceed 5 acres) are established, and allotments (exclusive of reserves) are limited to the highest acreage planted to cotton on the farm in any of the last 3 preceding years.

Special Provisions of Law Applicable to 1957 and 1958 Crops of Cotton. The national marketing quota cannot be less than the number of bales required to provide a national acreage allotment as large as the national allotment for 1956. Each State allotment will be increased, if necessary, so that it will be not less than 99 percent of the State allotment for the preceding year. If sufficient acreage is available, minimum farm allotments are to be established in *all* counties at the smaller of 4 acres or the highest acreage planted on the farm in the past 3 years. (This supersedes for the 2 years the 5-acre minimum provision.) A national acreage reserve of 99,000 acres is available for use in establishing such minimum allotments and up to 3 percent of the State allotment is required to be used, if needed, for minimum allotments.

Release of Unused Allotments. If a part or all of a farm cotton acreage allotment is not needed or wanted on the farm, it can be released—for 1 year or permanently—to the county ASC committee, which may reapportion the released allotments to other farms in the same county. Where the allotment is released for 1 year only, the farm releasing the allotment gets credit under certain conditions. The farm which receives the reapportioned allotment does not get history credit for planting such acreage. However, the State and county do get credit for reapportioned acreage which is planted to cotton.

Review of Quotas. Any farmer who is dissatisfied with his marketing quota may appeal in writing at the county ASC office and have the determination reviewed by a review committee appointed by the Secretary. If still dissatisfied, the producer may appeal to the proper

Federal or State court for review of his case.

Cotton (Extra Long Staple)

Marketing Quotas

The Secretary is required to proclaim not later than October 15 a marketing quota for extra long staple cotton for the following year when the total supply exceeds the normal supply for the marketing year by more than 8 percent. (The "normal supply" is the year's estimated domestic consumption and exports plus a 30-percent reserve.)

A referendum must be held by December 15 following the proclamation of the quota, and at least two-thirds of the growers voting in the referendum must approve marketing quotas if they are to continue in effect.

Marketing quotas are carried out by means of acreage allotments. When quotas are in effect, producers who exceed their farm acreage allotments are subject to a marketing quota penalty on each pound of the farm marketing excess. The penalty rate per pound is the higher of (a) 50 percent of the parity price of extra long staple cotton as of June 15 of the calendar year in which the cotton is produced, or (b) 50 percent of the support price for extra long staple cotton on June 15 of such year.

Acreage Allotments

The national marketing quota is the number of pounds of extra long staple cotton which is determined to be necessary to maintain a normal supply, but not less than the larger of (a) 30,000 bales, or (b) a number of bales equal to 30 percent of the estimated domestic consumption plus exports of such cotton for the marketing year beginning in the calendar year in which such quota is proclaimed. The national marketing quota is converted to a national acreage allotment.

National. The national acreage allotment for extra long staple cotton is determined by dividing the national marketing quota by the national average yield per acre for the 5 years immediately preceding the year in which the quota is proclaimed.

State. The national acreage allotment is apportioned among extra long staple cotton-producing States on the basis of the acreage planted to such cotton during the preceding 5 years with adjustment in acreages for individual years as provided by law.

County. The State acreage allotment for extra long staple cotton (less the State reserve) is apportioned among counties in the State on the basis of the acreage planted to extra long staple cotton in each county during the 5 years preceding the year in which the quota is proclaimed, with adjustment in acreages for individual years as provided by law. The State committee is authorized to reserve not more than 10 percent of the State acreage allotment to be used in making adjustments in county allotments for trends in the acreage of extra long staple cotton or for abnormal conditions adversely affecting production, or for small farms or new farms, or to correct inequities and prevent hardship.

Farms. The county committee is authorized by law to reserve not more than 15 percent of the county allotment to use in establishing acreage allotments for new cotton farms and for adjusting acreage allotments for old cotton farms. Each county committee is required to determine which of the following two methods should be used in apportioning the county acreage allotment (less the county acreage reserve) among farms in order to establish equitable allotments for farms in the county:

(a) *Historical Method*.—By multiplying the average acreage planted to extra long staple cotton on the farm for the 3 years immediately preceding the year for which quotas are proclaimed (adjusted as provided by law) by a uniform county percentage. At the option of the county committee, farm acreage allotments may be limited to 50 percent of the cropland on the farm.

(b) *Cropland Method*.—By multiplying the cropland on each old extra long staple cotton farm (excluding acreages of certain crops specified by law) by a uniform county or administrative area percentage. An old extra long staple cotton farm is one on which extra long staple cotton has been planted in one or more of the 3 years immediately preceding the year for which quotas are proclaimed. Under this method, farm acreage allotments (exclusive of reserves) are limited to the highest acreage planted to extra long staple cotton on the farm in any of the last 3 preceding years.

If a part or all of a farm cotton acreage allotment is not needed or wanted on the farm, it can be released—for 1 year or permanently—to the county ASC committee, which may reapportion the released allotments to other farms in the same county. Where the allotment is released for 1 year only, the farm releasing the allotment gets credit under certain conditions for planting the released acreage. The farm which receives the reapportioned allotment does not get history credit for planting such acreage. However, the State and county do get credit for reapportioned acreage which is planted to cotton.

Peanuts

Marketing Quotas

Regardless of the supply of peanuts, the Secretary is required between July 1 and December 1 of

each year to proclaim a national marketing quota for the next crop of peanuts.

The national marketing quota is the quantity of peanuts which will supply the market with a crop equal to the average quantity harvested for nuts during the preceding 5 years. Certain adjustments are made in the national marketing quota to allow for current trends and prospective supply conditions. The national marketing quota cannot be less than that quantity which will provide a national acreage allotment of 1,610,000 acres.

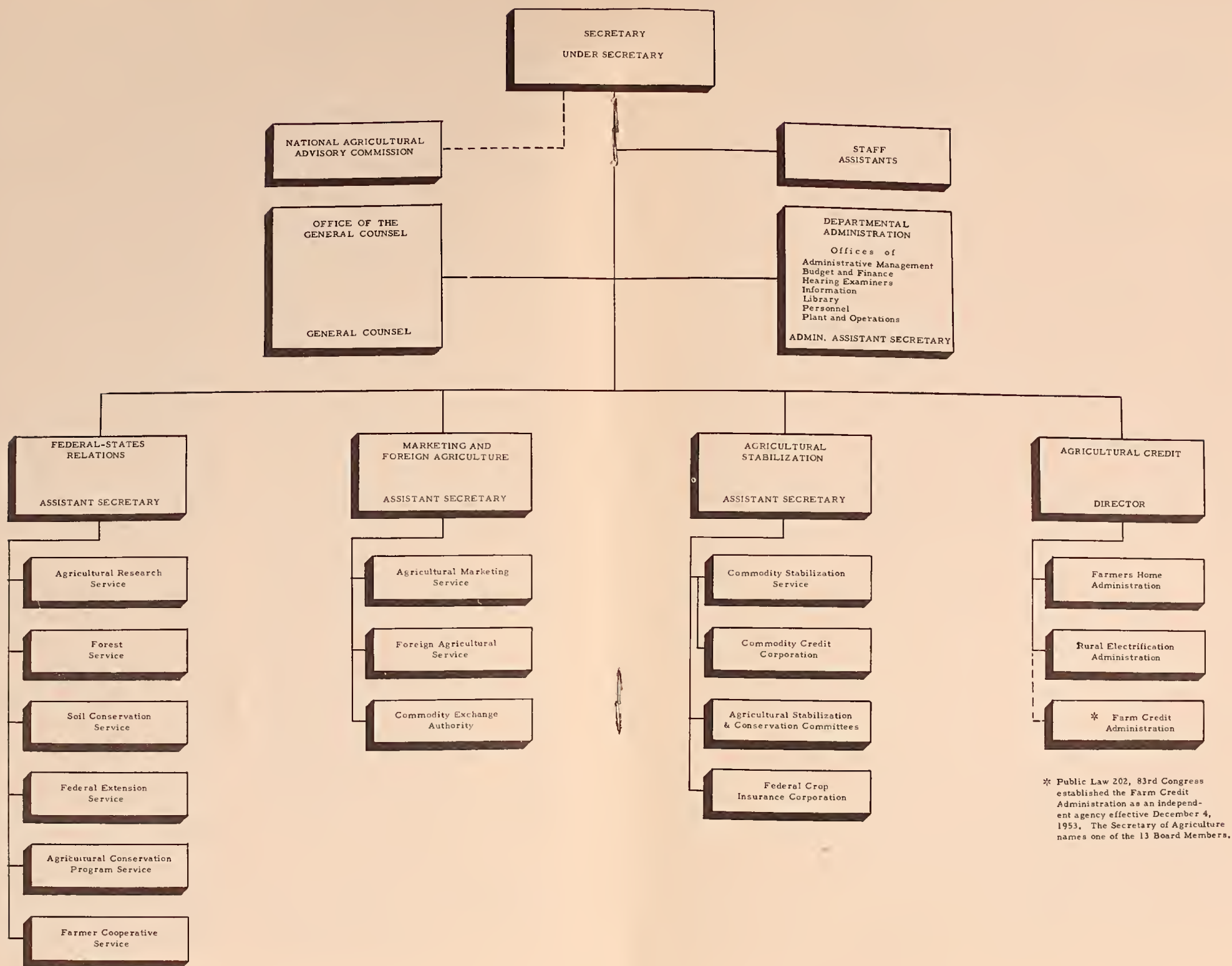
In years when a referendum is required, it must be held not later than December 15 to determine whether or not peanut producers favor marketing quotas. When a referendum is held, growers may vote for quotas for 3 years, or they may vote against quotas. If quotas are disapproved, another referendum must be held the following year. If quotas are approved, no referendum is required for the second and third years of the 3-year period. At least two-thirds of the growers voting in the referendum must approve before quotas can be put in effect.

Acreage Allotments

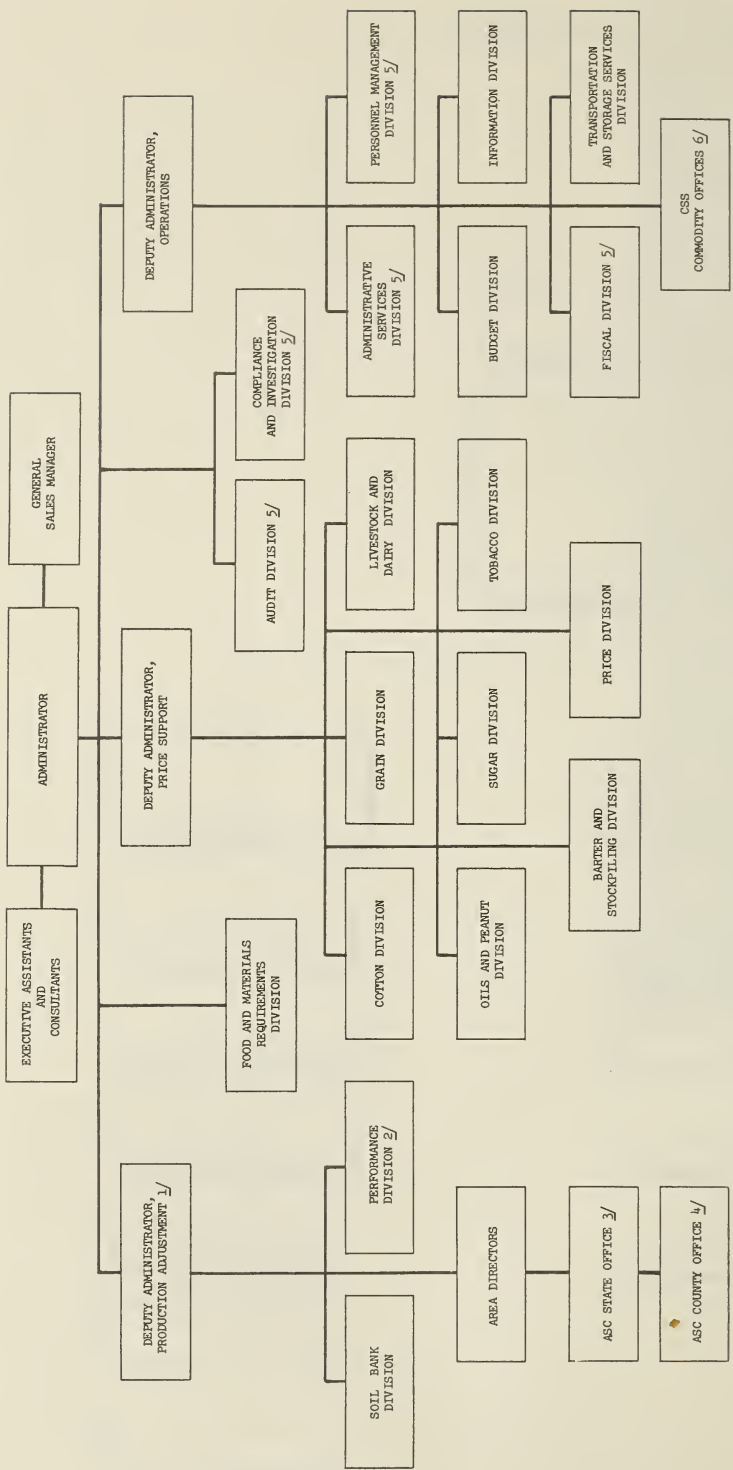
The national acreage allotment is determined at the time the national marketing quota is proclaimed by dividing the national quota by the average yield per acre for the preceding 5 calendar years, with such adjustments as are necessary for trends in yields and for abnormal conditions.

State allotments result from the apportionment of the national acreage allotment among States on the basis of each State's share of the national allotment for the preceding year. A small acreage is set aside for "new" peanut farms before the national allotment is divided among the States.

UNITED STATES DEPARTMENT OF AGRICULTURE



COMMODITY STABILIZATION SERVICE



1/ Responsibility for the administrative supervision and direction of Agricultural Stabilization and Conservation State and county offices has been assigned to the CSS by the Secretary of Agriculture pursuant to Reorganization Plan No. 2 of 1953.

2/ Maintains and directs Aerial Photography laboratories at Washington, D.C. and Salt Lake City, Utah.

3/ One office in each State, in Alaska, the Territory of Hawaii, and in Puerto Rico.

4/ One office in each agricultural county (over 3,000 in number).

5/ Maintains and directs the operations of field offices.

6/ Office locations: Boston, Mass.; Chicago, Ill.; Cincinnati, Ohio; Dallas, Texas; Kansas City, Mo.; Minneapolis, Minn.; New Orleans, La.; and Portland, Oregon.

County Allotments and Farm Allotments. The Agricultural Adjustment Act of 1938, as amended, provides that the State allotment may be apportioned in 1 of 2 ways: (a) Direct to farms by the State ASC committee, or (b) to counties by the State ASC committee, and to farms by the county ASC committee. In recent years, however, the Secretary has provided by regulations that the various State allotments be apportioned directly to eligible farms and county allotments have not been established. Allotments are established for farms on which more than one acre of peanuts were picked or threshed during one or more of the past 3 years on the basis of: peanut-producing experience of the producer; past acreage of peanuts, taking into consideration previous allotments; abnormal conditions; land, labor, and equipment available for peanut production; crop rotation practices; soil and other physical factors affecting the production of peanuts. Full allotment history credit may be maintained by the farm owner or operator by filing a request with the county ASC office for preservation of allotment history acreage.

A part or all of a farm peanut acreage allotment can be released—for 1 year or permanently—to the county ASC committee, which may reapportion the released acreage to other farms in the same county.

Increase in Peanut Allotments. When the Secretary determines that the supply of all peanuts or of any one type of peanuts is insufficient to meet demands for cleaning and shelling, he is required to make appropriate increases in allotments for such peanuts.

Marketing Quota Penalty. Peanuts picked and threshed in excess of the farm marketing quota are subject to a penalty equal to 75 percent of the basic price-support rate for the year in which the peanuts are produced. Farms harvest-

ing 1 acre or less of peanuts for nuts are exempt from marketing quotas.

Review of Quotas. Any farmer who is dissatisfied with his marketing quota may appeal and have the determination reviewed by a review committee appointed by the Secretary. If still dissatisfied, the producer may appeal to a Federal District court for review of his case.

Tobacco

Marketing Quotas

National. Not later than December 1 for flue-cured tobacco, and February 1 for other kinds of tobacco, the Secretary of Agriculture must proclaim and call for a referendum on marketing quotas—for the 3 succeeding marketing years—for any kind of tobacco whenever:

1. The total supply (of a kind of tobacco for which quotas have never been proclaimed) at the beginning of the marketing year exceeds the reserve supply level;

2. The marketing year is the last in a 3-year period during which quotas have been in effect;

3. A marketing quota previously proclaimed is not in effect because of disapproval by growers in a referendum (with one exception, described below under "Marketing Quota Referendum");

4. Farm acreage allotments will be materially revised before the end of the quota period because of amendments in allotment provisions;

5. Prior to November 10, the Secretary is petitioned to proclaim quotas by one-fourth or more of the farmers engaged in the production of a kind of tobacco for which quotas have been disapproved in 3 successive years since 1952.

State. The national marketing quota is apportioned among the States on the basis of the total production in each State during the 5 years preceding the year in which the quota is proclaimed, with ad-

justments for abnormal conditions and trends in production. Production from excess acreage for 1955 or any subsequent year will not be used in the apportionment. A small percentage of the national marketing quota is made available for allotment through county ASC committees to "new" farms and for adjustment of allotment on old farms.

Marketing Quota Referendum. When a marketing quota is proclaimed and a referendum is held, growers may vote for quotas for 3 years or they may vote against quotas. If at least two-thirds of the growers voting approve quotas, a referendum is not held again for 3 years, although the Secretary is required to announce each year the amount of the annual marketing quota not later than December 1 for flue-cured tobacco and February 1 for other kinds of tobacco. If more than one-third of the growers voting disapprove, the marketing quotas will not be in effect, but another referendum will ordinarily be held the following year. However, a national marketing quota may not be proclaimed for any year in the 3-year period for which farmers have disapproved previously proclaimed quotas in 3 successive years subsequent to 1952, unless, prior to November 10, one-fourth or more of the farmers engaged in the production of such tobacco petition the Secretary to proclaim quotas for each of the next 3 succeeding marketing years.

Acreage Allotments

State. The State marketing quota is converted to a State acreage allotment on the basis of the average yield per acre during the preceding 5 years, with appropriate adjustments for abnormal conditions of production and for trends in production.

Farm. The State acreage allotment is allotted to farms on the basis of past acreage, adjustment for

abnormal weather and plant disease; land, labor, and equipment available for the production of tobacco; crop-rotation practices; and the soil and other physical factors affecting the production of tobacco.

Penalties. Tobacco produced on an acreage in excess of the farm tobacco allotment is subject, upon marketing, to a marketing quota penalty equal to 75 percent of the average market price for the previous year. The tobacco marketed from farms having an acreage in excess of the farm allotment is not eligible for price support.

Review of Quotas. Any farmer who is dissatisfied with his marketing quota may appeal in writing to the county ASC office and have the determination reviewed by a review committee appointed by the Secretary. If still dissatisfied, the producer may appeal to an appropriate Federal or State court for a review of his case.

Rice

Acreage Allotments

Rice acreage allotments are required every year unless the Secretary dispenses with them under the emergency provisions of the law.

National. The national acreage allotment of rice is that acreage which, at the national average yield of rice for the 5 preceding calendar years, will produce an amount of rice adequate, together with the estimated carryover from the marketing year ending in the calendar year for which such national acreage allotment is determined, to make available a supply not less than the normal supply. December 31 is the latest date for proclaiming the national rice acreage allotment.

State. The national acreage allotment, less a reserve of not to exceed 1 percent for adjustments in allotment for old farms receiving inadequate allotments, is apportioned among the States on the basis of the average number of acres of

rice in each State during the 5 preceding calendar years (plus, in applicable years, the acreage diverted) with adjustments for trends in acreage.

County. The State acreage allotment, less a reserve of not to exceed 3 percent for new farms, is apportioned to counties on the same basis as the national allotment is apportioned to counties on the same basis. In States where the individual allotments are determined on a farm basis, the State acreage allotment is apportioned directly to the individuals, and county acreage allotments are not determined.

Old Farms. (a) Producer Basis.—The State acreage allotment, less a reserve of not to exceed 3 percent for new producers, is apportioned to farms owned or operated by persons who have produced rice in any 1 of the 5 preceding calendar years on the basis of past production of rice in the State by the producer on the farm, taking into consideration the acreage allotments previously established for the producer; abnormal conditions affecting acreages; land, labor, and equipment available for the production of rice; crop-rotation practices; and the soil and other physical factors affecting the production of rice.

(b) Farm Basis.—The county acreage allotment is apportioned to farms on which rice has been produced in any 1 of the 5 preceding calendar years on the basis of past production of rice on the farm, taking into consideration the acreage allotments previously established for the farm; abnormal conditions affecting acreage; land, labor, and equipment available for the production of rice; crop-rotation practices; and the soil and other physical factors affecting the production of rice.

New Farms. (a) Producer Basis.—Up to 3 percent of the State

allotment may be apportioned to farms operated by persons who have not produced rice in any 1 of the past 5 years.

(b) Farm Basis.—Up to 3 percent of the State allotment may be apportioned to farms on which rice has not been planted during any one of the past 5 years.

Marketing Quotas

The Secretary is required to proclaim marketing quotas on rice when the total supply of rice exceeds the normal supply by more than 10 percent. (A "normal supply" of rice is a year's estimated domestic consumption and exports plus a 10-percent allowance for carryover.) December 31 is the latest date for proclaiming the marketing quotas. Within 30 days after a proclamation of rice marketing quotas, a referendum must be held among farmers engaged in the production of the immediately preceding crop of rice, to determine whether such farmers are in favor of or opposed to such quotas. At least two-thirds of the farmers voting in the referendum must approve marketing quotas if they are to remain in effect.

The marketing quota of rice for any farm on which the rice acreage allotment is not exceeded is the actual production of rice on the farm. If the farm rice acreage allotment is exceeded, the marketing quota for the farm is the actual production of rice less the normal production of the excess acreage of rice on the farm. If the total production of rice on the farm is less than the normal production of the farm acreage allotment, the farm marketing quota would be the actual production even if the farm acreage allotment had been exceeded.

When marketing quotas on rice are in effect, producers who harvest rice in excess of their farm acreage allotment are subject to a marketing penalty on the excess rice. The

marketing quota penalty is equal to 50 percent of the parity price per pound for rice as of June 15 of the calendar year in which such crop is produced.

Review of Quotas. Any farmer who is dissatisfied with his market-

ing quota may appeal and have the determination reviewed by a review committee appointed by the Secretary. If still dissatisfied, the producer may appeal to a Federal District Court for review of his case.

PRICE SUPPORT AND INCENTIVE PROGRAMS

Price-support operations carried on by the U. S. Department of Agriculture through the Commodity Credit Corporation seek to establish price minimums or "floors" for a number of agricultural commodities.

Price supports are mandatory for the basic commodities—wheat, corn, cotton, tobacco, peanuts, and rice—and for the following designated nonbasic agricultural commodities: Wool and mohair, tung nuts, honey, milk, butterfat, and the products of milk and butterfat. For other nonbasic agricultural commodities, price supports are permissive, at the discretion of the Secretary of Agriculture, except that whenever the price of either cottonseed or soybeans is supported the price of the other must also be supported at such level as the Secretary determines will cause them to compete on equal terms on the market.

During recent years, price support has been made available for such nonbasic commodities as barley, oats, rye, grain sorghums, flaxseed, soybeans, dry edible beans, cottonseed, and gum naval stores.

Methods of carrying out price supports vary by commodities. Generally, for storable commodities, the methods used are farm- and warehouse-storage loans, and purchase agreements. Direct purchases are used when necessary, usually for perishable commodities. Wool and mohair prices are supported through incentive payments.

Duties of County Committees

1. Counsel and advise the county office manager with respect to special or unusual cases not covered in official instructions.

2. Approve lending agency agreements for lending agencies located in the county (for grains, flaxseeds, soybeans, dry edible beans, peanuts, and cottonseed). Terminate lending agency agreements upon prior approval of the State Committee.

3. Supervise the determination of producers' eligibility for price support.

4. In the case of cotton, appoint loan clerks and witnesses for equity transfers.

5. Make sure that all cases involving theft, fraud, conversion, or other irregularities are reported promptly to the State ASC committee.

6. Make the determinations required by regulations and instructions covering price supports.

Peanuts

Price support is mandatory for peanuts, a "basic" commodity. The support level ranges between 75 and 90 percent, depending upon the supply.

Method of Support. The producer may obtain price support on peanuts in two ways:

1. He may deliver peanuts to a warehouse that is under contract with a cooperative which, in turn, has entered into a loan agreement with CCC. The cooperative draws a draft in favor of the producer for

the full price support value of the peanuts—less a flat deduction, per ton, to cover the cost of inspection, warehousing, and other handling charges. The draft, drawn on a lending agency approved by CCC, may be cashed or credited to the producer's account at any commercial bank.

2. Loans are available to eligible producers on eligible peanuts in approved farm storage. Producers apply for the loans at the county ASC office, which arranges for inspection of the storage facilities and for inspection, sampling, and grading of the peanuts. After it is determined that the producer, the peanuts, and the storage facilities meet CCC's requirements, the county office determines the amount of the loan and prepares and approves the loan documents. The producer, with the loan documents, obtains his loan from any approved lending agency or from the county office. The producer may deliver the peanuts to CCC upon maturity of the loan, or redeem them prior to delivery to CCC by repaying the amount of the loan, plus interest and charges.

Acreage Allotments and Marketing Quotas. When marketing quotas are in effect, producers to be eligible for price support must not pick and thresh in excess of the larger of one acre or the farm acreage allotments established for their farms.

Grains and Related Commodities (Flaxseed, Soybeans, and Dry Edible Beans)

Price support is mandatory for the "basic" grains—wheat, corn, and rice. The level of support for these crops may range from a minimum of 75 to 90 percent of the parity price, depending upon the supply. For other grains and related commodities, the range is from 0 to 90 percent of parity, at the discretion of the Secretary of

Agriculture. If producers disapprove marketing quotas for wheat or rice, the available support for the crop drops to 50 percent of parity. The level of support in the designated noncommercial wheat and corn areas is 75 percent of the level to cooperators in the commercial areas.

For crops being grown under an acreage allotment program (except cottonseed), farmers must comply with their farm allotment for the crop in order to be eligible for price support. Allotments are directed for the basic grains—wheat and corn (in commercial areas) and rice. Allotments may also be used for other commodities, but they are not required.

Method of Support. Price support is made available to farmers through farm- and warehouse-storage loans and through purchase agreements.

Loans

Loans are nonrecourse in nature; that is, the producer has the right to deliver the commodity after maturity in the quantity and quality described in the loan documents in full satisfaction of his loan.

Most price-support loans are made through private lending agencies, usually local banks having an agreement with CCC. The agreement provides for CCC to take over the loans from the lending agencies, through the county committees if requested. CCC also makes some loans through the county ASC office.

In the case of farm-stored commodities, an inspector from the county ASC office inspects the adequacy of the producer's farm storage facilities, measures the quantity stored, takes a sample of the commodity to be tested for grade or eligibility, and affixes a seal to the bin or crib. If the producer can meet requirements, the county office makes out a note and chattel mortgage. The producer, after signing

these documents, may obtain a loan from a lending agency or from the county office.

For commodities stored in warehouses approved by CCC, the producer presents his warehouse receipt to the county ASC office and signs a note. The producer then obtains his loan from a lending agency or from CCC through the county ASC office.

The producer may repay his loan at any time before the note matures; he is charged interest at the rate of $3\frac{1}{2}$ percent only for the period the loan was in effect. After payment, the note is returned to the producer. In the case of a farm-storage loan, the mortgage is released, and in the case of a warehouse loan, the warehouse receipt is returned to the producer. If the producer delivers the commodity to CCC in repayment of the loan, there is no interest charge to the producer, and CCC pays any interest charges that might be due a lending agency. However, in the case of defaulted loans on farm-stored commodities or loans obtained through fraud, interest will be at the rate of 6 percent per annum from the date of default or the date of disbursement, respectively.

Purchase Agreements

A producer obtains a purchase agreement through the county office after paying a small service charge and signing a document that specifies the maximum amount of the commodity he may elect to sell to CCC. CCC agrees to purchase at the loan rate any quantity the producer elects to deliver, up to and including the maximum quantity covered by the agreement.

The producer must, within a 30-day period specified by CCC, declare his intention to deliver under the purchase agreement. If the commodity is stored in an approved warehouse, the producer turns over to the county office warehouse receipts representing the quantity of

the commodity he elects to offer. In the case of a commodity stored in other than approved warehouse storage, the producer notifies the county ASC committee of his intention to deliver and, after the issuance of delivery instructions, makes delivery to the place designated by CCC.

Tobacco

Tobacco price support is mandatory at 90 percent of parity for those years and kinds of tobacco for which marketing quotas are in effect. When marketing quotas are disapproved, no price support is available. Growers who exceed their farm acreage allotments are not eligible for price support.

Administration. Tobacco price support is carried out through producer marketing cooperatives. Agreements between the cooperatives and the Commodity Credit Corporation provide for handling and storage of tobacco placed under price support. The price-support loans are nonrecourse, and mature on demand.

Under general supervision of the county committee, the county ASC office issues appropriate marketing cards which authorize price support loans to those growers who have not exceeded their allotments.

Cotton (Upland and Extra Long Staple)

Price support is mandatory for eligible upland cotton and extra long staple cotton.

Method of Support. Cotton prices are supported by means of nonrecourse loans to producers on cotton stored in approved warehouses or farm-storage structures. In areas approved by the New Orleans CSS Commodity Office, loans are available on cotton covered by order bills of lading. Loans are also made available through approved cotton cooperative marketing associations.

When the farm acreage allotment for upland cotton or for extra long staple cotton is exceeded, the kind of cotton in noncompliance is ineligible for price support. The two kinds of cotton are treated independently, and one cannot be substituted for the other.

Level of Support. The level of support for each kind of cotton (upland or extra long staple) is determined as follows:

If producers have not disapproved marketing quotas for upland cotton for a particular crop year, the level of price support for such kind is based on the supply percentage (the relationship of total supply to normal supply) at the beginning of the marketing year, with a maximum level of 90 percent of parity and a minimum level of 75 percent of parity. If producers have not disapproved marketing quotas for extra long staple cotton for a particular crop year, the level of price support is mandatory at 75 percent of parity for such cotton.

If producers have disapproved marketing quotas on any crop of upland cotton or of extra long staple cotton, the level of price support for such crop of such kind of cotton will be 50 percent of parity.

Administration. In the field, the cotton price-support program is administered through the New Orleans CSS Commodity Office. (However, the State and county committees have certain responsibilities in connection with the appointment of loan clerks and witnesses, and handling of farm-storage loans.) Warehouses and lending agencies are approved by the New Orleans office. Loans are disbursed by approved lending agencies and the New Orleans office.

Milk and Butterfat

Prices of milk and butterfat, "designated nonbasic commodities," are supported at such levels from 75 to 90 percent of parity as the Sec-

retary of Agriculture determines will assure an adequate supply. The law provides that support may be carried out by purchase of, or loans on, milk and dairy products. The support has been carried out by purchases of butter, cheese, and nonfat dry milk solids and by special programs to increase milk consumption among school children, military personnel, and veterans hospital patients.

Administration: Purchases are made by CSS Community Offices from processors and handlers.

Cottonseed

Price support for cottonseed is discretionary with the Secretary of Agriculture, who determines the support level (within a range of 0 to 90 percent) after considering such factors as supply, support levels for other commodities, and importance of the commodity. However, whenever the price of soybeans is supported, the price of cottonseed must be supported at such level as the Secretary determines will cause these commodities to compete on equal terms on the market.

Method of Support. Prices for cottonseed have been supported by means of nonrecourse farm-storage loans and purchases of cottonseed from producers and ginnerers. If necessary, purchases are made from producers at the support level, or from participating ginnerers at the guaranteed program price. The support level for cottonseed may range from 0 to 90 percent of parity.

Administration. Loans and purchase programs in the field are administered by State and county committees through designated employees of those committees. Lending agencies are approved by the county committee. Loans are disbursed through sight drafts by approved lending agencies and by designated employees of the county committee.

The storage and handling of all CCC-owned cottonseed after delivery of the cottonseed to an oil mill or an approved storage facility; and the sale, crushing, and processing of cottonseed and the transportation, storage, handling, and sales of products therefrom, if any, are administered by the New Orleans CSS Commodity Office.

Tung Nuts

Price support for tung nuts, a "designated nonbasic agricultural commodity," is mandatory at a level not less than 60 nor more than 90 percent of parity as determined by the Secretary after considering such factors as supply, support levels for other commodities, and importance of the commodity.

Method of Support. Tung nuts are supported by means of purchase agreements. Nonrecourse loans and purchase agreements are available for producer-owned tung oil at a rate equivalent to the support price for tung nuts.

Administration. The county ASC offices receive applications for price support, make out necessary documents, disburse drafts for tung oil represented by loan documents and for tung nuts or tung oil tendered under purchase agreements. The county committees purchase for CCC from approved lending agencies the notes evidencing loans secured by warehouse receipts issued by approved warehouses.

County committees take delivery of eligible tung nuts on the basis of the weight and oil content which is shown by an analysis made by an approved chemist.

Honey

Price support for honey, a "designated nonbasic commodity," is mandatory at not less than 60 percent nor more than 90 percent of the parity price. The level of support is determined by the Secretary of Agriculture after considering such

factors as supply, support levels for other commodities, and importance of the commodity. Prices of honey are supported through farm storage loans and purchase agreements.

Administration. Loans and purchase agreements for honey are handled in about the same way as for grain and related commodities.

Wool and Mohair

The National Wool Act of 1954 calls for the support of wool and mohair marketed in the period between April 1, 1955, and March 31, 1959. The act specifies that shorn wool shall be supported at an incentive level which will encourage an annual production of 300 million pounds; the support, however, cannot be more than 110 percent of parity. Provision is made for support of pulled wool and mohair at levels in relation to the support for shorn wool.

Method of Support. Payments will be made to producers of shorn wool after the end of the marketing year in an amount sufficient to bring the average price received by producers for all wool sold during the marketing year up to the announced incentive level. An individual producer's payment will be determined by applying to his net sales proceeds the percentage payment rate needed to bring the average price received by all producers up to the support level.

Pulled wool price support is carried out by making payments on sales of lambs that have never been shorn regardless of whether they are sold for replacement, feeding, or slaughter. Then if the new owner sells the lambs without shearing them, his lamb payment will be adjusted downward by the amount due on the weight of the lambs purchased. Likewise, if he shears the lambs and sells the wool, his wool payment will be adjusted downward by this same amount. In this way, the original producer and the later

feeder or breeder owner share in the payments. Price support payments for pulled wool are based upon the hundredweight of unshorn lambs sold adjusted downward for any purchases of unshorn lambs.

Mohair price support payments, if required, will be made in the same way as incentive payments on shorn wool, except that no downward adjustment is made for purchases of young goats. Since the beginning of the program April 1, 1955, mohair prices have been above the support level and it has not been necessary to make any mohair payments.

Applications for payments are filed with the ASC county office serving the county in which a producer's farm or ranch headquarters is located.

Gum Naval Stores

Price support for gum naval stores (rosin and turpentine) is discretionary with the Secretary of Agriculture at any level between 0 and 90 percent of parity. In determining the support level, the Secretary takes into consideration such factors as supply, support levels for other commodities, and importance of the commodity. Prices for gum naval stores are supported only through nonrecourse loans.

Method of Support. The producer desiring a loan on turpentine and rosin obtained from his crude pine gum executes a Producer's Marketing Agreement with the American Turpentine Farmers As-

sociation Cooperative (ATFA). To be eligible for price support, a producer must follow approved conservation practices on his naval stores plantation.

Usually the producer delivers his crude pine gum to an approved processing plant-warehouse location, pays charges, such as processing fees, initial storage, and the Federal inspection fee. Loans are made on the processed turpentine or rosin, or, under specified conditions, on unprocessed turpentine or rosin content of the crude pine gum. The loan papers are transmitted by the warehouseman to ATFA, which after checking producer and collateral eligibility, sends the documents to the Dallas CSS Commodity Office for audit, custody, and payment to the producer or his designated payee.

Administration. ATFA conducts the field administration of the loan program as agent of CCC.

County ASC committees have no administrative responsibilities.

Loan availability expires December 31, but producers redemption rights extend to the following July 1, at which time the loan matures, if payment is not demanded earlier by CCC; thereafter, CCC may sell the collateral. Any sum remaining after application of sales proceeds to the satisfaction of total loan indebtedness under current and prior programs is returned to ATFA for distribution to producer-members.

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STORAGE ACTIVITIES

Farm Storage Facility Loans

Under the farm storage facility loan program, any farmer, landlord, or producer partnership may borrow up to 80 percent of the cost of new storage bins, cribs, or other approved storage structures. The structure must meet requirements

for storage under the price-support program. All immovable structures and all movable structures on which the amount loaned exceeds \$1,000 must be insured in the amount loaned for the life of the loan. Insurance requirements for movable structures on which the loan is less

than \$1,000 are determined by the State committee.

Application for a loan may be made at the county ASC office. The loans, which may be made either directly through the county office or through a local bank, may be obtained on structures for the storage of wheat, corn, oats, rye, barley, soybeans, grain sorghums, dry edible beans, rice, peanuts, cottonseed, flaxseed, and winter cover crop seeds. The loans, which bear interest at the rate of 4 percent per year, can be paid off over a 4-year period. This period begins on the first anniversary of the loan, when the first installment is payable.

Administration. County committees must:

1. Determine that the facility is needed and that the bushel capacity proposed is in keeping with program objectives.

2. Approve loans up to \$2,500. (Loans above that amount must be referred to the State ASC committee with the recommendation of the county committee prior to the issuance of a commitment.)

3. Determine that the amount of the loan does not exceed the percentage of the total cost established as a maximum for the State by the State ASC committee.

4. Consider requests for extension or deferment of current installments.

5. Call loans when required.

6. Consider requests for subleasing of facility.

7. Consider requests for use of facility for other than approved commodities.

Mobile Drying Equipment Loans

This program is designed to help any farmer to purchase mobile drying equipment (such as air circulators, ventilators, tunnels, and power fans, or any combination thereof, and mechanical driers of a mobile type).

The maximum amount to be loaned on any single mobile dryer or any mobile equipment suitable for conditioning of grain is 75 percent of the assembled and delivered cost, exclusive of farm-labor costs. The loan may be made either directly through the county office or through an approved lending agency. Loans are repayable over a 3-year period beginning on the first anniversary date of the loan.

Loans are available to purchase equipment for use in conditioning of corn, oats, barley, grain sorghums, wheat, rye, soybeans, flaxseed, rice, dry edible beans, dry peas, peanuts, cottonseed, hay seeds, pasture seeds, and winter cover crop seeds.

Loans are not available for the purchase of equipment for use in connection with the conditioning of commodities which the borrower intends to purchase or store for others.

Loans are secured by chattel mortgages on the mobile drier or equipment, or by other security instruments approved by CCC. Insurance is required on all equipment mortgaged to secure the loans, regardless of the amount of the loan.

Duties of the County Committee

1. Determine that the drying equipment is needed.

2. Approve loans up to \$3,000. Applications for loans over \$3,000 must be submitted to the State ASC committee prior to the issuance of a commitment.

3. Determine that the amount of the loan does not exceed the percentage of the cost established as a maximum for the State by the State ASC committee.

4. Consider requests for extension or deferment of current installments.

5. Call loans when required.

Uniform Storage Agreements

General. Storage activities are conducted by the Commodity Credit Corporation, which executes uniform storage agreements with commercial warehousemen wishing to store price-support and Government-owned commodities and whose facilities are found to be suitable for such storage.

The agreement does not guarantee that CCC will use the facilities after approved, and it does not obligate the warehouseman to accept price-support commodities for storage. The agreement sets forth the terms and conditions under which commodities will be received, stored, and loaded out in the event the warehouse is utilized for the storage of price-support commodities.

Administration. CSS Commodity Offices are responsible for the warehouse storage programs in their respective areas. Consequently applications for approval, inspections and all matters pertaining to operations under the agreement are handled by these offices.

Price Support. Warehouse receipts, in order to be eligible collateral under price-support programs, must be issued by a warehouseman who has been approved by CCC and is operating under the provisions of the agreement.

Agreements are in effect for grain, rice, dry edible beans, and seed.

CCC Storage

As of March 31, 1957, CCC owned about 238,000 grain storage structures having a total storage capacity of approximately 990 million bushels.

Why bought. These bins were bought at times when existing storage facilities were not adequate to take care of the grain which was expected to be delivered to CCC under price-support operations.

How used. CCC-owned bins are used for storage of grain acquired under price-support operations when available commercial storage facilities are inadequate. When not needed for storage of CCC-owned grain, the county committee may rent CCC bins to farmers or grain warehousemen.

Where situated. Most CCC-owned bins are erected on sites leased through county committees, although a few sites have been purchased by CCC.

Duties of County Committees

County committees work through the county office manager to see that the following duties are carried out properly:

1. Leasing of bin sites.
2. Supervision and maintenance of sites, bins, and equipment.
3. Supervising receipt and withdrawal of CCC-owned grain at bin sites.
4. Supervision, inspection, and maintenance of grain stored at bin sites or in leased emergency facilities.
5. Reporting monthly to the State committee on the quantity and condition of grain stored.
6. Renting bins to farmers or grain warehousemen, and checking rented bins to be sure that they are being used in accordance with the rental agreement.

SUGAR ACT PROGRAMS (BEET AND CANE)

The major objectives of the Sugar Act are to maintain a healthy domestic sugar industry, to assure adequate sugar supplies to consum-

ers at reasonable prices, and to promote our general export trade.

Determining Sugar Requirements. Each December the Secre-

tary of Agriculture is required to determine how much sugar will be needed to meet United States requirements for the subsequent calendar year. Prior to such determination a public hearing is held at which all interested persons, including consumers, industrial users, wholesalers, refiners, sugarcane and sugar beet processors, and producers may present views and recommendations on the subject.

Establishing Quotas. After requirements are determined, each domestic and foreign producing area supplying the United States with sugar is assigned a quota representing its share of the United States market. In apportioning the first 8,350,000 short tons, of the United States sugar requirements, the law assigns fixed quotas amounting to 4,444,000 short tons, raw value, to

the domestic areas and approximately 980,000 short tons, raw value, to the Republic of the Philippines. The balance of the 8,350,000 tons is apportioned 96 percent to Cuba and 4 percent to other foreign countries.

Beginning in 1956, and continuing through 1960, requirements for market growth in excess of 8,350,000 tons is apportioned 55 percent to domestic areas, and 45 percent to foreign countries other than the Philippines. Beginning in 1957, foreign countries other than Cuba and the Philippines share in market growth to a greater extent than previously.

Quotas, established when United States requirements equal 8,350,000 and 8,700,000 tons, and increases in quotas for each 100,000 ton increase in requirements, appear below:

Area	Quotas for individual areas when requirements are—		Increase in quotas for each 100,000 tons increase in require- ments above: 8,700,000
	8,350,000	8,700,000	
	<i>(Short tons, raw value)</i>		
Domestic beet.....	1, 800, 000	1, 886, 806	22, 382
Mainland cane.....	500, 000	580, 588	6, 887
Hawaii.....	1, 052, 000	1, 053, 022	12, 491
Puerto Rico.....	1, 080, 000	1, 101, 069	13, 062
Virgin Islands.....	12, 000	15, 015	178
Philippines.....	980, 000	980, 000	0
Cuba.....	2, 808, 960	2, 912, 525	29, 590
Other foreign countries.....	117, 040	170, 975	15, 410
Total.....	8, 350, 000	8, 700, 000	100, 000

Establishing Marketing Allotments. One important function of the sugar program is to promote orderly marketing. This can sometimes be accomplished through quotas. However, quotas may not suffice, especially when supplies in the producing areas materially exceed the quotas. If the Secretary believes that the pressure of supplies in an area is likely to result in

disorderly marketing, he must allot the quota fairly among processors who market sugar. This allotment assures each marketer of an equitable share of the market, removes the "fear" element, and permits the conduct of business on a more stable day-to-day basis. Marketing allotments have been in effect for Puerto Rico since 1949, for the Mainland Cane Sugar area since 1953, and for

the Domestic Beet Sugar area since 1954.

Establishing Proportionate Shares (Acreage Allotments). When the indicated sugar supply for a domestic area will be greater than the quantity needed to fill the quota and provide a normal carry-over inventory, the act requires the Secretary to divide the market among individual producing farms. The total amount of sugarcane or sugar beets that may be harvested for sugar on a farm is known as the farm's "proportionate share." The establishment of proportionate shares assures that each eligible farm in the producing area will receive its fair share of the market and, at the same time, bear its fair share of any required adjustment in production. Producers are required to market within their proportionate shares if they wish to qualify for conditional payments.

Making Conditional Payments. The act provides for direct payments to growers ranging from 80 cents per 100 pounds of sugar for production of less than 350 tons of sugar per farm, down to 30 cents per 100 pounds for production in excess of 30,000 tons per farm. The average payment for all domestic producers is about 67 cents per 100 pounds.

In addition, the act provides payments for bona fide abandonment of planted acreage and crop deficiencies resulting directly from drought, flood, storm, freeze, disease, or insects. The payment is computed on the basis of specified percentages of the farm's normal yield.

Congress appropriates funds annually for Sugar Act payments. However, a tax on sugar provides funds to the Government which more than offset the total of all conditional payments plus the costs incurred in administering the Sugar Act. This tax is one-half cent a pound, raw value, on all sugar processed or imported for direct consumption.

To qualify for conditional payments, producers: (a) Must not employ child labor; (b) must not market sugarcane or sugar beets in excess of farm proportionate shares; (c) must pay fair wages as determined by the Secretary; and (d) if they are also processors, must pay fair prices as determined by the Secretary for sugar beets or sugarcane purchased from other producers.

Duties of County Committees

1. Conduct hearings and make decisions on wage claims of laborers.

2. Determine: (a) Abandonment and deficiency areas; (b) farms qualifying for abandonment and deficiency payments.

3. Determine from available records compliance with all applicable requirements such as: Proportionate share (acreage), prohibition against use of child labor, and wage rates paid to workers.

4. Approve reports to State ASC offices on child labor violations, wage claims, and wage rates.

5. Certify producers' applications for payment.

MISCELLANEOUS

Emergency Feed Program

The Emergency Feed Program makes CCC stocks of surplus feed grains available to farmers and ranchers for feeding foundation herds of livestock—cattle, sheep,

and goats—in designated "disaster areas."

County ASC committees perform the following duties:

1. Enter into agreements with feed dealers wishing to distribute

feed to farmers under the program.

2. Determine eligibility of individual farmers.

3. Determine amount of feed to which individual farmers are entitled.

4. Issue farmers' purchase orders in accordance with applications approved by the FHA county committee.

5. Issue dealer certificates for the face value of purchase orders presented to the ASC county office which have been properly filled in accordance with the provisions of the program.

6. Grant requests for extension of time for expired purchase orders where warranted.

7. Handle requests for extension of time for dealer certificates that have expired whether requested by feed dealer to whom issued or by subsequent holder.

8. Replace lost, stolen, or destroyed purchase orders and dealer certificates.

9. Make spot checks to determine whether the provisions of the feed dealer's agreement with respect to each farmer's purchase order have been observed.

10. Report violations of the provisions of the program to the ASC State committee and recommend appropriate action in line with the nature of the violation.

Disposal of CCC-Owned Surpluses

Commodities acquired under price-support programs are disposed of in various ways, but mainly through sales. Export sales are made at world market prices,

and sales for domestic use are made at prices which are determined in accordance with existing statutes (usually at 105 percent of the current support price plus handling costs).

Commodities stored in commercial storage facilities are sold or disposed of by the CSS Commodity Offices. Commodities stored in CCC bins may be sold by the county offices under the supervision of the State ASC committees.

National. Sales programs, including terms and conditions of sale and prices, are determined in Washington and transmitted to the State ASC offices. Prices are usually announced on or about the first of each month, but under special conditions prices or price changes may be furnished any time when the need arises.

State. The State ASC office is responsible for supervising and instructing county ASC offices with respect to sales policies, terms, and conditions of sales and prices within the authority delegated to it. The State office is responsible for the auditing of sales and inventory reports received from county offices and for the submission of the documents which procedures require to be sent by the State office to the CSS Commodity Offices.

County. County ASC offices are generally responsible for sales of commodities stored in CCC-owned bins in accordance with instructions from the State ASC committee and existing CSS directives and regulations.